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SABINE PARISH SCHOOL BOARD
Many, Louisiana

Basic Financial Statements
and Independent Auditor's Reports
As of and for the Year Ended June 30, 2006
(With Comparative Totals, June 30, 2005)

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 1-24-07

SABINE PARISH SCHOOL BOARD
Many, Louisiana

Basic Financial Statements
and Independent Auditor's Reports
As of and for the Year Ended June 30, 2006
(With Comparative Totals, June 30, 2005)

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HERBIE W. WAY
CERTIFIED PUBLIC ACCOUNTANT

55 Terra Avenue
Alexandria, LA 71303
318/442-7568
Fax: 318/442-9495

Independent Auditor's Report

SABINE PARISH SCHOOL BOARD
Many, Louisiana

I have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Sabine Parish School Board as of and for the year ended June 30, 2006, which collectively comprise the school board's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of the school board's management. My responsibility is to express an opinion on these financial statements based on my audit. The financial information for the year ended June 30, 2005, which is included for comparative purposes was obtained from the financial report for that year and is based on the work of other auditors whose report dated December 16, 2005, expressed an unqualified opinion on the basic financial statements of the Sabine Parish School Board.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Sabine Parish School Board as of June 30, 2006, and the respective changes in financial position thereof for the year ended, in conformity with accounting principles generally accepted in the United States of America.

SABINE PARISH SCHOOL BOARD
Independent Auditor's Report
(Continued)

Management's discussion and analysis and budgetary comparison information are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, I did not audit the information and express no opinion on it.

In accordance with Government Auditing Standards, I have also issued a report dated December 11, 2006, on my consideration of internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of my audit.

My audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and Nonprofit Organizations, and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

The accompanying supplemental information schedules listed in the table of contents relating to the school board's performance measures are presented for the purpose of additional analysis and are not a required part of the school board's basic financial statements. Such information has not been subjected to auditing procedures applied in the audit of the basic financial statements, accordingly, I do not express such an opinion.

Herbie W. Way

Herbie W. Way
Alexandria, Louisiana
December 11, 2006

REQUIRED SUPPLEMENTAL INFORMATION

PART I

SABINE PARISH SCHOOL BOARD
Many, Louisiana

Management's Discussion and Analysis
June 30, 2006

Management's Discussion and Analysis of the Sabine Parish School Board's performance presents a narrative overview and analysis of the Sabine Parish School Board's financial activities for the year ended June 30, 2006, with comparative totals for the year ended June 30, 2005. Please read this document in conjunction with the Sabine Parish School Board's basic financial statements.

FINANCIAL HIGHLIGHTS

1. The Sabine Parish School Board had cash and investments of \$10,464,488 at June 30, 2006, which represents an increase of \$1,145,243 from the prior year end.
2. The Sabine Parish School Board had receivables of \$2,156,718 at June 30, 2006, which represents an increase of \$36,247 from the prior year end.
3. The Sabine Parish School Board had accounts payable and accruals of \$4,412,982 at June 30, 2006, which represents an increase of \$449,633 from the prior year end.
4. The Sabine Parish School Board had total revenues of \$38,262,032 at June 30, 2006, which represents an increase of \$4,144,395 from the prior year end.
5. The Sabine Parish School Board had taxes of \$7,748,093 at June 30, 2006, which represents an increase of \$643,079 from the prior year end.
6. The Sabine Parish School Board had minimum foundation revenues of \$19,388,128 at June 30, 2006, which represents an increase of \$1,214,500 from the prior year end.
7. The Sabine Parish School Board had other state source revenues of \$1,353,779 at June 30, 2006, which represents an increase of \$251,503 from the prior year end.
8. The Sabine Parish School Board had federal source revenues of \$7,185,442 at June 30, 2006, which represents an increase of \$436,768 from the prior year end.
9. The Sabine Parish School Board had instructional services expenses of \$18,244,079 at June 30, 2006, which represents an increase of \$906,877 from the prior year end.
10. The Sabine Parish School Board had support services expenditures of \$11,653,749 at June 30, 2006, which represents an increase of \$932,892 from the prior year end.
11. The Sabine Parish School Board had capital assets purchases of \$263,618 at June 30, 2006, which represents an increase of \$98,455 from the prior year end.
12. The Sabine Parish School Board had debt service payments of \$14,576,871 at June 30, 2006, which represents an increase of \$12,075,093 from the prior year end. This significant increase is related to the refunding program undertaken by the school board which reduced the annual debt service payments over the remaining life of the outstanding issues.

SABINE PARISH SCHOOL BOARD
Many, Louisiana
Management's Discussion and Analysis (Continued)

OVERVIEW OF THE FINANCIAL STATEMENTS

The following graphic illustrates the minimum requirements of the Sabine Parish School Board as established by Governmental Accounting Standards Board Statement 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments.

MANAGEMENT'S DISCUSSION AND ANALYSIS

BASIC FINANCIAL STATEMENTS

REQUIRED SUPPLEMENTAL INFORMATION
(OTHER THAN MD&A)

These financial statements consist of three sections - Management's Discussion and Analysis (this sections), the basic financial statements (including the notes to the financial statements), and required supplementary information.

BASIC FINANCIAL STATEMENTS

The annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities provide information about the activities of the school board as a whole and present a longer-term view of the school board's finances. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

The Statement of Net Assets and the Statement of Activities report the school board's net assets and changes in them. You can think of the school board's net assets, the difference between assets and liabilities, as one way to measure the school board's financial health, or financial position. Over time, increases or decreases in the school board's net assets are an indicator of whether its financial health is improving or deteriorating.

FUND FINANCIAL STATEMENTS

The fund financial statements provide detail information about the most significant funds of the school board, but not the school board as a whole. Some funds are required to be established by State law and bond covenants; however, the school board establishes other funds to enable it to control and manage financial resources for particular purposes or to demonstrate that it is meeting legal requirements for the expenditure of certain taxes, grants, and other restricted revenues.

SABINE PARISH SCHOOL BOARD

Many, Louisiana

Management's Discussion and Analysis (Continued)

The school board's services are reported in governmental funds which focus on showing how financial resources flow into and out of funds and the balances remaining at year-end that may be available for future spending, using the modified accrual basis of accounting, which measures cash and other financial assets that may be readily converted to cash. This basis of accounting provides a detailed short-term view of the school board's operations and the services it provides. The governmental fund information enables financial statement users to determine whether there are more or fewer financial resources that can be spent in the near future to finance the school board's programs.

The relationship between governmental activities reported in the government-wide financial statements (Statement A and B) and the governmental funds (Statement C and E) is presented in a reconciliation on Statements D and F.

FIDUCIARY RESPONSIBILITIES

The school board is the trustee, or fiduciary, for the student activity funds. Fiduciary activities are reported in a separate Statement of Fiduciary Net Assets. These financial activities are excluded from the school board's other financial statements because they cannot be used to finance its operations. The school board is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

FINANCIAL ANALYSIS OF THE ENTITY

Table 1
Net Assets
As of the Year Ended

	2006	2005
Current and other assets	\$12,660,593	\$11,493,908
Capital assets (net of accumulated depreciation)	25,636,245	26,633,994
Total assets	<u>\$38,296,838</u>	<u>\$38,127,902</u>
Current and other liabilities	\$4,412,982	\$3,963,319
Long-term liabilities	20,544,265	22,628,317
Total liabilities	<u>24,957,247</u>	<u>26,591,636</u>
Net assets:		
Invested in capital assets, net of debt	5,675,245	4,533,994
Restricted	844,127	1,637,674
Unrestricted	6,820,218	5,364,598
Total net assets	<u>\$13,339,590</u>	<u>\$11,536,266</u>

See Independent Auditor's Report

SABINE PARISH SCHOOL BOARD
Many, Louisiana
Management's Discussion and Analysis (Continued)

The \$6,820,219 in unrestricted net assets of governmental activities represents the accumulated results of all past year's operations. It means that if the school board had to pay off all of its bills (current liabilities) at June 30, 2006, a balance of \$6,820,219 would be remaining. The school board will closely monitor future expenditures with strict adherence to the approved budget to ensure financial stability.

As reported in the Statement of Activities, the results of this year's operations for the school board reflected an increase of \$1,803,324. Condensed financial information of that statement is presented in Table 2.

Table 2
Statement of Activities
For the Year Ended

	2006	2005
General government expenses	(\$36,570,514)	\$(32,854,684)
Program revenues:		
Charges for services	432,998	405,254
Operating grants and contributions	8,110,574	7,598,729
Subtotal	(28,026,942)	(24,750,701)
Taxes	7,748,093	7,105,014
Minimum foundation	19,388,128	18,173,628
Other	2,694,045	735,012
Subtotal	29,830,266	26,013,654
Change in net assets	\$1,803,324	\$1,262,953

The Sabine Parish School Board's total revenues increased by \$3,816,612 or 14.70% from the previous year. The net cost of all programs and services increased by \$3,276,241 or 13.20% from the previous year.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets - at the end of 2006, the Sabine Parish School Board had \$25,296,838, net of accumulated depreciation, invested in a broad range of capital assets. This amount represents a net decrease (including additions and deductions) of \$997,749 or 3.75% from the previous year.

SABINE PARISH SCHOOL BOARD
Many, Louisiana
Management's Discussion and Analysis (Continued)

Capital Assets at Year-End
(Net of Accumulated Depreciation)

	2006	2005
Land	\$321,743	\$321,743
Buildings and improvements	24,561,654	25,503,894
Automobiles and equipment	752,848	808,357
Totals	<u>\$25,636,245</u>	<u>\$26,633,994</u>

Debt - at the end of 2006, the Sabine Parish School Board had \$20,544,265 in outstanding debt, this compares to \$22,628,317 outstanding at June 30, 2005, a decrease of \$2,084,052 or 1.65%.

Outstanding Debt, at Year End

	2006	2005
Compensated absences	\$583,265	\$528,317
Certificates of indebtedness	1,635,000	1,755,000
General obligation bonds	18,326,000	20,345,000
Total	<u>\$20,544,265</u>	<u>\$22,683,265</u>

The State of Louisiana limits the amount of general obligation debt that parishes may issue to 35 per cent of the assessed valuation of all taxable property within the parish. The school board's outstanding general obligation debt of \$18,326,000 is significantly below the \$28,321,006 statutorily-imposed limit.

Detailed information on these long-term obligations is presented in the notes to the basic financial statements.

**VARIATIONS BETWEEN ORIGINAL AND FINAL BUDGETS -
GENERAL FUND**

Actual revenues were \$471,485 more than budgeted revenues due to local and federal revenues being greater than expected.

Actual expenditures were \$932,532 less than budgeted expenditures due to a general decrease that was larger than expected.

SABINE PARISH SCHOOL BOARD

Many, Louisiana

Management's Discussion and Analysis (Continued)

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The Sabine Parish School Board's elected and appointed officials considered the following factors and indicators when setting next year's budget, rates, and fees. These factors and indicators include:

1. Minimum foundation program revenues
2. Taxes (ad valorem and sales)
3. Intergovernmental revenues (federal and state grants)

The Sabine Parish School Board does not expect any significant changes in next year's results as compared to the current year.

CONTACTING THE SCHOOL BOARD

The financial report is designed to provide citizens, taxpayers, parents, students, and investors and creditors with a general overview of the school board's finances and to show the school board's accountability for the financial resources it receives. Questions about this report or requests for additional financial information should be directed to Mr. Dorman Jackson, Superintendent or Mr. Robert T. Lewis, Business Manager, at the Sabine Parish School Board, Post Office Box 1079, Many, LA 71449, telephone number (318) 256-9258.

**SABINE PARISH SCHOOL BOARD
MANY, LOUISIANA**

**BASIC FINANCIAL STATEMENTS
AS OF JUNE 30, 2006, AND FOR THE YEAR THEN ENDED**

SABINE PARISH SCHOOL BOARD
Many, Louisiana

Statement of Net Assets
June 30, 2006
(With Comparative Totals, June 30, 2005)

	2006	2005
ASSETS		

Cash and cash equivalents	\$9,379,756	\$6,211,496
Investments	1,084,732	3,107,749
Receivables	2,156,718	2,120,471
Food inventories	39,102	35,435
Prepaid expenses	285	18,757
Capital assets (net of accumulated depreciation)	25,636,245	26,633,994
	-----	-----
TOTAL ASSETS	\$38,296,838	\$38,127,902
	=====	=====
LIABILITIES		

Accounts, salaries, and other payables	\$3,590,252	\$3,639,593
Deferred revenue	32,265	
Interest payable	790,465	323,726
Long-term liabilities:		
Due within one year	1,559,319	1,389,000
Due in more than one year	18,984,946	21,239,317
	-----	-----
Total Liabilities	24,957,247	26,591,636
	-----	-----
NET ASSETS		

Invested in capital assets, net of related debt	5,675,245	4,533,994
Restricted for:		
Debt service	701,154	1,344,892
Capital projects	142,972	292,782
Unrestricted	6,820,219	5,364,598
	-----	-----
TOTAL NET ASSETS	\$13,339,590	\$11,536,266
	=====	=====

The accompanying notes are an integral part of this financial statement.

SABINE PARISH SCHOOL BOARD
Many, Louisiana

Statement of Activities
For the Year Ended June 30, 2006
(With Comparative Totals For the Year Ended December 31, 2005)

FUNCTIONS/PROGRAMS	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS	NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS		
Governmental activities:					
Instruction:					
Regular programs	\$10,532,671		\$531,501		(\$9,556,487)
Special programs	5,862,971		2,762,229		(3,100,743)
Vocational education programs	1,225,167		99,497		(1,125,670)
Adult and continuing education programs	106,690		71,559		(35,131)
Other programs	516,579		343,276		(173,304)
Support services:					
Pupil support services	915,074		217,253		(697,821)
Instructional staff services	2,513,081		1,645,350		(867,731)
General administration	806,635		323,508		(483,127)
School administration	1,502,540		109,823		(1,392,716)
Business services	300,561		30,185		(270,376)
Plant services	2,465,759		279,618		(2,186,141)
Student transportation services	2,853,553		222,015		(2,631,538)
Central services	296,546		28,643		(267,903)
Food services	2,088,836	\$432,998	1,435,657		(220,181)
Community service programs	15,168		10,361		(4,807)
Interest on long-term debt	3,429,610				(3,429,610)
Depreciation expense	1,139,072				(1,139,072)
Total	36,570,514	432,998	8,110,574	NONE	(28,026,942)
					(24,750,701)

(Continued)

The accompanying notes are an integral part of this financial statement.

SABINE PARISH SCHOOL BOARD
Many, Louisiana

Statement of Activities
For the Year Ended June 30, 2006
(With Comparative Totals For the Year Ended December 31, 2005)

	NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS	NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS
General revenues:		
Taxes:		
Property taxes, levied for general purposes	\$2,793,779	\$3,575,638
Property taxes, levied for debt services	1,080,416	
Sales and use taxes, levied for general purposes	3,873,898	3,529,376
State revenue sharing	152,394	152,221
Minimum Foundation Program	19,388,128	18,173,628
State grants	501,815	
Interest and investment earnings	1,817,914	194,904
Miscellaneous	222,502	387,887
Total general revenues and special items	29,830,266	26,013,654
Changes in net assets	1,803,324	1,262,953
Net assets - July 1, 2005	11,536,266	10,273,313
Net assets - June 30, 2006	\$13,339,590	\$11,536,266

(Concluded)

The accompanying notes are an integral part of this financial statement.

SABINE PARISH SCHOOL BOARD
Many, Louisiana

GOVERNMENTAL FUNDS

Balance Sheet

June 30, 2006

(With Comparative Totals, June 30 2005)

	GENERAL FUND	HURRICANE RELIEF PROGRAM	MANY NO. 34 DEBT SERVICE FUND	NEGREET NO. 62 DEBT SERVICE FUND	MANY NO. 1 SALES TAX DEBT SERVICE FUND	OTHER GOVERNMENTAL FUNDS	2006 TOTAL	2005 TOTAL
ASSETS								
Cash and cash equivalents	\$6,659,088	\$15,285	\$176,677	\$80,309	\$235,159	\$2,213,238	\$9,349,756	\$6,211,496
Investments, at fair value	887,786				196,946		1,084,732	3,107,749
Receivables	518,477	417,766		4,103	32,000	1,220,475	2,156,718	2,120,471
Interfund receivables	1,108,512					41,152	1,185,767	1,126,808
Food service inventories						39,102	39,102	35,435
Prepaid deposits	285						285	18,757
TOTAL ASSETS	\$9,174,147	\$433,052	\$176,677	\$84,412	\$464,106	\$3,513,967	\$13,846,359	\$12,620,716
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts, salaries, and other payables	\$3,121,673	\$417,766				\$468,579	\$3,590,252	\$3,639,593
Interfund payables	13,891	15,285				768,000	1,185,767	1,126,808
Deferred revenues						3,088	32,265	
Total Liabilities	3,135,565	433,052	NONE	NONE	NONE	1,239,667	4,808,284	4,766,401

(Continued)

The accompanying notes are an integral part of this financial statement.

SABINE PARISH SCHOOL BOARD
Many, Louisiana

GOVERNMENTAL FUNDS

Balance Sheet

June 30, 2006

(With Comparative Totals, June 30 2005)

	GENERAL FUND	HURRICANE RELIEF PROGRAM	MANY NO. 34 DEBT SERVICE FUND	NEGREET NO. 62 DEBT SERVICE FUND	MANY NO. 1 SALES TAX DEBT SERVICE FUND	OTHER GOVERNMENTAL FUNDS	2006 TOTAL	2005 TOTAL
Fund balances:								
Reserved for:								
Debt service			\$176,677	\$84,412	\$464,106	\$766,426	\$1,491,620	\$1,344,892
Worker's compensation	\$14,029						14,029	
Capital projects						128,944	128,944	292,782
Unreserved - reported in:								
General Fund	6,024,554					1,378,930	6,024,554	4,239,178
Special Revenue Funds							1,378,930	1,977,463
Total Fund Balances	6,038,583	NONE	176,677	84,412	464,106	2,274,299	9,038,076	7,854,315
TOTAL LIABILITIES AND FUND BALANCES	\$9,174,147	\$433,052	\$176,677	\$84,412	\$464,106	\$3,513,966	\$13,846,359	\$12,620,716

(Concluded)

The accompanying notes are an integral part of this financial statement.

SABINE PARISH SCHOOL BOARD
Many, Louisiana

Reconciliation of the Governmental Funds
Balance Sheet to the Statement of Net Assets
June 30, 2006
(With Comparative Totals, June 30, 2005)

		2006	2005
		-----	-----
Total Fund Balances - Governmental Funds		\$9,038,076	\$7,854,315
Cost of capital assets	\$41,269,572		
Less - accumulated depreciation	(15,633,327)	25,636,245	26,633,994

Elimination of interfund assets and liabilities:			
Interfund receivables	(1,185,767)		
Interfund payables	1,185,767	NONE	NONE

Long-term liabilities:			
Compensated absences	(583,265)		
Bonds and certificates of indebtedness payable	(19,961,000)		
Accrued interest payable	(790,465)	(21,334,731)	(22,952,043)
	-----	-----	-----
Net Assets		\$13,339,590	\$11,536,266
		=====	=====

The notes to the financial statements are an integral part of this statement.

SABINE PARISH SCHOOL BOARD
Many, Louisiana
GOVERNMENTAL FUNDS

Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2006
(With Comparative Totals For the Year Ended December 31, 2005)

	GENERAL FUND	HURRICANE RELIEF PROGRAM	MANY NO. 34 DEBT SERVICE FUND	NEGREET NO. 62 DEBT SERVICE FUND	MANY NO. 1 SALES TAX DEBT SERVICE FUND	OTHER GOVERNMENTAL FUNDS	2006 TOTAL	2005 TOTAL
REVENUES								

Local sources:								
Taxes:								
Ad valorem	\$1,109,004		\$652,284	\$386,240		\$1,726,667	\$3,874,195	\$3,575,638
Sales and use	2,582,944					1,290,954	3,873,898	3,529,376
Interest earnings	287,763		532,453	254,286	\$419,349	323,483	1,817,334	194,904
Charges for services	37,613					395,385	432,998	405,254
Miscellaneous	25,048					311,209	336,258	387,887
State sources:								
Unrestricted grant-in-aid	19,292,376					248,146	19,540,522	18,173,628
Restricted grants-in-aid	1,201,385						1,201,385	1,102,276
Federal sources:								
Grants-in-aid - direct	25,647	\$557,738				1,012,973	1,012,973	1,024,712
Grants-in-aid - subgrants						5,589,084	6,172,469	5,723,962
Total revenues	24,561,781	557,738	1,184,736	640,526	419,349	10,897,901	38,262,032	34,117,637
EXPENDITURES								

Current								
Instruction:								
Regular programs	9,974,251	258,857				237,603	10,470,711	10,482,275
Special programs	3,282,491	68,372				2,530,205	5,881,069	5,486,437
Vocational programs	1,125,670	30,540				68,958	1,225,167	
Adult and continuing education programs	58,390					48,300	106,690	1,281,911
Other programs	275,866	3,392				237,322	516,579	

(Continued)

The accompanying notes are an integral part of this statement.

SABINE PARISH SCHOOL BOARD
 Many, Louisiana
 GOVERNMENTAL FUNDS

Statement of Revenues, Expenditures, and Changes in Fund Balances
 For the Year Ended June 30, 2006
 (With Comparative Totals For the Year Ended December 31, 2005)

	GENERAL FUND	HURRICANE RELIEF PROGRAM	MANY NO. 34 DEBT SERVICE FUND	NEGREET NO. 62 DEBT SERVICE FUND	MANY NO. 1 SALES TAX DEBT SERVICE FUND	OTHER GOVERNMENTAL FUNDS	2006 TOTAL	2005 TOTAL
EXPENDITURES (CONT'D)								
Support services programs:								
Student support services	\$697,821	\$8,127				\$209,126	\$915,074	\$1,058,327
Instructional staff services	899,161	14,166				1,568,710	2,482,037	2,480,687
General administration	617,137		\$39,736	\$30,694	\$16,148	97,145	800,859	532,239
School administration	1,418,447	33,587				50,506	1,502,540	1,413,219
Business services	270,376					30,185	300,561	297,732
Plant services	1,580,555	21,415				809,978	2,411,948	2,471,359
Student transportation services	2,441,570	102,305				249,115	2,792,990	2,467,294
Central services	284,749					5,818	290,567	278,119
Non-instructional:								
Food services	5,662	3,466				2,066,893	2,076,021	2,117,548
Community service	4,807	442				9,919	15,168	3,318
Facilities acquisition and construction services	8,061	3,221				288,944	300,226	165,163
Debt service:								
Principal retirement	68,000		3,390,000	3,490,000	2,515,000	2,151,000	11,614,000	1,325,000
Interest and bank charges	47,518		923,430	503,035	699,390	789,498	2,962,871	1,176,778
Total expenditures	23,060,534	547,889	4,353,165	4,023,729	3,230,538	11,449,223	46,665,077	33,037,406
EXCESS (Deficiency) OF REVENUES								
OVER EXPENDITURES	1,501,248	9,849	(3,168,429)	(3,383,203)	(2,811,188)	(551,322)	(8,403,045)	1,080,231

(Continued)

The accompanying notes are an integral part of this statement.

SABINE PARISH SCHOOL BOARD
Many, Louisiana
GOVERNMENTAL FUNDS

Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2006
(With Comparative Totals For the Year Ended December 31, 2005)

	GENERAL FUND	HURRICANE RELIEF PROGRAM	MANY NO. 34 DEBT SERVICE FUND	NEGREET NO. 62 DEBT SERVICE FUND	MANY NO. 1 SALES TAX DEBT SERVICE FUND	OTHER GOVERNMENTAL FUNDS	2006 TOTAL	2005 TOTAL
OTHER FINANCING SOURCES (Uses)								
Operating transfers in	\$189,218			\$44,883	\$1,379,000	\$743,750	\$2,356,851	\$749,826
Operating transfers out		(\$9,849)				(2,347,002)	(2,356,851)	(749,826)
Proceeds from sale of long-term debt			\$3,240,000	3,325,000	1,390,000	1,520,000	9,475,000	
Insurance proceeds	108,939						108,939	
Sale of fixed assets						2,867	2,867	
Total other financing sources (uses)	298,157	(9,849)	3,240,000	3,369,883	2,769,000	(80,385)	9,586,806	NONE
NET CHANGE IN FUND BALANCES	1,799,405	NONE	71,571	(13,320)	(42,188)	(631,707)	1,183,761	1,080,231
FUND BALANCE AT BEGINNING OF YEAR	4,239,178	NONE	105,105	97,732	506,294	2,906,006	7,854,315	6,774,084
FUND BALANCES AT END OF YEAR	\$6,038,583	NONE	\$176,677	\$84,412	\$464,106	\$2,274,299	\$9,038,076	\$7,854,315

(Concluded)

The accompanying notes are an integral part of this statement.

SABINE PARISH SCHOOL BOARD
Many, Louisiana

Reconciliation of the Governmental Funds
Statement of Revenues, Expenditures, and Changes
in Fund Balances to the Statement of Activities

For the Year Ended June 30, 2006
(With Comparative Totals For the Year Ended June 30, 2005)

	2006	2005
	-----	-----
Total net change in fund balances - governmental funds	\$1,183,761	\$1,080,231
Amounts reported for governmental activities in the Statement of Activities are different because:		
Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense exceeds capital outlay in the period:		
Capital outlays	\$254,118	
Depreciation expense	(1,251,872)	(997,754) (1,072,168)

Repayment of principal on long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets	11,614,000	1,325,000
Issuance of long-term debt is an other financing source in the governmental funds, but increase long-term debt in the Statement of Net Assets	(9,475,000)	NONE
In the Statement of Activities, certain operating expenses - compensated absences (vacation and sick leave) - are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). This year, vacation and sick time earned exceeded the amount used.	(54,948)	NONE
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported in the governmental funds	5	(70,110)
Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.	(466,739)	NONE
	-----	-----
Change in net assets of governmental activities	\$1,803,324	\$1,262,953
	=====	=====

The accompanying notes are an integral part of this financial statement.

SABINE PARISH SCHOOL BOARD
Many, Louisiana
FIDUCIARY FUND - AGENCY FUNDS - SCHOOL ACTIVITY FUNDS

Balance Sheet, June 30, 2006

ASSETS

Cash and cash equivalents

\$410,699

TOTAL ASSETS

\$410,699
=====

LIABILITIES

Accounts payable
Deposits due others

\$19,140
391,558

TOTAL LIABILITIES

\$410,699
=====

The accompanying notes are an integral part of this financial statement.

SABINE PARISH SCHOOL BOARD
Many, Louisiana

Notes to the Basic Financial Statements
As of and for the Year Ended June 30, 2006

INTRODUCTION

The Sabine Parish School Board was created by Louisiana Revised Statute (LSA-R.S.) 17:51 to provide public education for the children within Sabine Parish. The school board is authorized by LSA-R.S. 17:81 to establish policies and regulations for its own government consistent with the laws of the State of Louisiana and the regulations of the Louisiana Board of Elementary and Secondary Education. The school board is comprised of seven members who are elected from their respective districts for terms of four years.

The school board operates schools within the parish with a total enrollment of approximately 4,022 pupils. In conjunction with the regular education programs, some of these schools offer special education and/or adult education programs. In addition, the school board provides transportation and school food services for the students.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying financial statements of the Sabine Parish School Board have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

This financial report has been prepared in conformity with GASB Statement No. 34, Basic Financial Statements--and Management's Discussion and Analysis--for State and Local Governments, issued in June 1999.

B. REPORTING ENTITY

GASB Statement No. 14, The Reporting Entity, established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the school board is considered a primary government, since it is a special purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. As used in GASB Statement No. 14, fiscally independent means that the school board may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt. The school board also has no component units, defined by GASB Statement No. 14 as other legally separate organizations for which the elected school board members are financially accountable. There are no other primary governments with which the school board has a significant relationship.

SABINE PARISH SCHOOL BOARD
Many, Louisiana
Notes to the Basic Financial Statements
(Continued)

C. FUNDS

The school board uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain school board functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts.

Funds of the school board are classified into two categories: governmental and fiduciary, as follows:

Governmental Funds

Governmental funds account for all or most of the school board's general activities. These funds focus on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may be used. Current liabilities are assigned to the fund from which they will be paid. The difference between a governmental fund's assets and liabilities is reported as fund balance. In general, fund balance represents the accumulated expendable resources which may be used to finance future period programs or operations of the school board. The following are the school board's primary governmental funds:

General Fund -- the general operating fund of the school board and accounts for all financial resources, except those required to be accounted for in other funds.

Special revenue funds -- account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Debt service funds -- account for transactions relating to resources retained and used for the payment of principal and interest on general long-term debt recorded in the general long-term debt account group.

Capital projects funds -- account for financial resources received and used for the acquisition, construction, or improvement of capital facilities not reported in the other governmental funds.

SABINE PARISH SCHOOL BOARD
Many, Louisiana
Notes to the Basic Financial Statements
(Continued)

The following Governmental Funds are considered major funds:

General Fund - accounts for all financial resources, except those required to be accounted for in other funds.

Hurricane Relief Program - accounts for Federal funds, passed through the Louisiana Department of Education, to provide assistance in meeting the educational needs of individuals and educational institutions affected by hurricanes in the Gulf of Mexico in calendar year 2005.

Many No. 34 Debt Service Fund - accounts for the debt service funds of the school district which are used to accumulate monies for the payment of outstanding bond issues and certificates of indebtedness. The bonds and certificates of indebtedness were issued by the school district to acquire land for building sites, erect and improve school buildings, and acquire the necessary equipment and furnishing thereof. The bond issues and certificates of indebtedness are financed by a special ad valorem property tax levied within the school district.

Negreet No. 62 Debt Service Fund - accounts for the debt service funds of the school district which are used to accumulate monies for the payment of outstanding bond issues and certificates of indebtedness. The bonds and certificates of indebtedness were issued by the school district to acquire land for building sites, erect and improve school buildings, and acquire the necessary equipment and furnishing thereof. The bond issues and certificates of indebtedness are financed by a special ad valorem property tax levied within the school district.

Many No. 1 Sales Tax Debt Service Fund - accounts for the debt service funds of the school district which are used to accumulate monies for the payment of outstanding bond issues and certificates of indebtedness. The bonds and certificates of indebtedness were issued by the school district to acquire land for building sites, erect and improve school buildings, and acquire the necessary equipment and furnishing thereof. The bond issues and certificates of indebtedness are financed by a sales and use tax levied within the school district.

Fiduciary Fund Type

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the school board. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Consequently, the agency fund has no measurement focus, but does use the modified accrual basis of accounting.

SABINE PARISH SCHOOL BOARD
Many, Louisiana
Notes to the Basic Financial Statements
(Continued)

D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING

Government-Wide Financial Statements - include the Statement of Net Assets (Statement A) and the Statement of Activities (Statement B). These financial statements report the financial position and results of operations for the school board as a whole. Fiduciary funds are not included at this level, as they are only reported in the Statement of Fiduciary Net Assets at the fund financial statement level.

The Government-Wide Financial Statements were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, Accounting and Financial Reporting for Nonexchange Transactions.

Program Revenues - Program revenues included in the Statement of Activities (Statement B) derive directly from parties outside the school board's taxpayers or citizenry, as a whole; program revenues reduce the cost of the function to be financed from the school board's general revenues.

Allocation of Indirect Expenses - The school board reports all direct expenses by function in the Statement of Activities (Statement B). Direct expenses are those that are clearly identifiable with a function. Indirect expenses of other functions are not allocated to those functions but are reported separately in the Statement of Activities. Depreciation expense, which can be specifically identified by function, is included in the direct expenses of each function. Depreciation on buildings is assigned to the "general administration" function due to the fact that school buildings serve multiple purposes. Interest on general long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

Fund Financial Statements - governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds. Fund financial statements report detailed information about the school board. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column.

SABINE PARISH SCHOOL BOARD
Many, Louisiana
Notes to the Basic Financial Statements
(Continued)

Governmental funds and the agency fund use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The school board considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The governmental funds use the following practices in recording revenues and expenditures:

Revenues

Federal and state entitlements (which includes state equalization and state revenue sharing) are recorded as unrestricted grants-in-aid when available and measurable. Expenditure driven Federal and state grants are recorded as restricted grants-in-aid when the reimbursable expenditures have been incurred.

Federal commodities are recognized as revenues in the accounting period they are received.

Food service income is recorded when collected. All food services income applicable to an accounting period is collected during the fiscal year.

Ad valorem taxes are recorded in the year the taxes are due and payable. Ad valorem taxes are assessed on a calendar year basis and attach as an enforceable lien and become due and payable on the date the tax rolls are filed with the recorder of mortgages. Louisiana Revised Statute 47:1993 requires that the tax roll be filed on or before November 15 of each year. Ad valorem taxes become delinquent if not paid by December 31. Taxes are normally collected in December, January, and February of the fiscal year.

Sales and use taxes are recorded in the month collected by the Sabine Parish Sales Tax Commission (collection agent) or by the Louisiana Department of Public Safety and Corrections, Public Safety Services.

Interest earnings on time deposits are recorded when the time deposits have matured and the income is available.

Substantially all other revenues are recorded when they are available to the school board.

Based on the above criteria, federal and state entitlements, ad valorem taxes, and sales and use tax are treated as susceptible to accrual by the school board.

SABINE PARISH SCHOOL BOARD
Many, Louisiana
Notes to the Basic Financial Statements
(Continued)

Expenditures

Salaries are recorded as expenditures when earned. Teacher salaries are earned over a 9-month period, but are paid over a 12-month period.

Purchases of various operating equipment and supplies are recorded as expenditures in the accounting period they are purchased.

Commitments under construction contracts are recognized as expenditures when earned by the contractor.

Food costs are recognized as expenditures in the period in which the food is consumed.

Substantially all other expenditures are recognized when the related fund liability has been incurred.

Transfers between funds that are not expected to be repaid, sale of assets, and proceeds from the sale of bonds are accounted for as other financing sources (uses). These transactions are recognized at the time the underlying events occur.

Deferred Revenues

The school board reports deferred revenues on its fund financial statements balance sheet. Deferred revenues arise when resources are received by the school board before it has a legal claim to them, as when grant monies are received before incurring qualifying expenditures. In subsequent periods, when the school board has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and the revenue is recognized.

E. BUDGETS

The school board adopts annual budgets on the General Fund and special revenue funds. The proposed budgets are prepared by the business manager, the superintendent, and the finance committee of the school board during July and/or August of each year. During August and/or September, the availability of the proposed budgets for public inspection and the date of the public hearing on the budgets are advertised in the official journal. At its first meeting in September, the school board holds a public hearing on the proposed budgets in order to receive comments from residents. Changes are made to the proposed budgets based on the results of the public hearing and the desires of the school board as a whole. The budgets are then adopted, and notice is published in the official journal.

SABINE PARISH SCHOOL BOARD

Many, Louisiana

Notes to the Basic Financial Statements

(Continued)

The budgets are prepared on the modified accrual basis of accounting and all appropriations lapse at year end. Encumbrances are not formally recognized within the accounting system for budgetary control purposes; however, outstanding purchase orders are taken into consideration before expenditures are incurred to assure that applicable appropriations are not exceeded. Formal budgetary integration (within the accounting records) is employed as a management control device.

The superintendent of schools is authorized to transfer amounts between line items within a fund; however, when requested by the school board, budgetary comparisons are prepared and presented to the school board during a regular meeting. The school board reviews these comparisons and proposed amendments, makes changes as it deems necessary, and formally adopts the amendments.

The adoption of the amendments is included in the school board minutes published in the official journal. Budget amounts included in the accompanying financial statements include the originally adopted and the final amended budget amounts.

F. ENCUMBRANCES

Encumbrance accounting, under which purchase orders are recorded in order to reserve that portion of the applicable appropriation, is not employed. However, outstanding purchase orders are taken into consideration before expenditures are incurred in order to assure that applicable appropriations are not exceeded.

G. CASH AND CASH EQUIVALENTS

Cash includes amounts in demand deposit, interest bearing demand deposits, and money market accounts. Cash equivalents include amounts in time deposits and those income-producing items with original maturities of usually 90 days or less. Under state law, the school board may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

Under state law, the school board may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

SABINE PARISH SCHOOL BOARD

Many, Louisiana

Notes to the Basic Financial Statements

(Continued)

H. INVESTMENTS

In accordance with Louisiana Revised Statute (LSA-R.S.) 32:2955, the school board, upon determination of the availability of funds in excess of immediate cash requirements by its treasurer or chief financial officer and in the exercise of prudent judgment, may invest in direct United States Treasury obligations; bonds, debentures, notes, or other evidence of indebtedness guaranteed by federal agencies or United States government instrumentalities, provided that such obligations are backed by the full faith and credit of the United States government; and savings accounts and certificates of deposit of state banks organized under the laws of Louisiana or national banks having their principal offices in the state of Louisiana. Additionally, the school board may invest in mutual or trust fund institutions (limited to 25 per cent of the funds considered available for investment under this section) provided that they are registered with the Securities and Exchange Commission under the Securities Act of 1933 and the investment Act of 1940 and have underlying investments consisting solely of securities of the United States government or its agencies. Investments are stated at fair value.

I. INTERFUND RECEIVABLES/PAYABLES

During the course of operations, numerous transactions occur between individual funds for goods and services provided or rendered. These receivables and payables are classified as interfund receivables and payables on the fund financial statements but are eliminated for reporting purposes on the government-wide financial statements.

J. INVENTORY

Inventory of the School Lunch Special Revenue Fund consists of food purchased by the school board and commodities granted by the United States Department of Agriculture. The commodities are recorded as revenues when received; however, all inventory items are recorded as expenditures when consumed. All purchased inventory items are valued at the lower of cost (first-in, first-out) or market, and commodities are assigned values based on information provided by the United States Department of Agriculture.

K. CAPITAL ASSETS

Capital assets are capitalized at historical cost. Depreciation of all exhaustible assets used by the Sabine Parish School Board are charged as an expense against operations in the Statement of Activities. Capital assets, net of accumulated depreciation, are reported on the Statement of Net Assets. Depreciation is computed using the straight-line method over the estimated useful life of the assets, generally 10 to 40 years for buildings and building improvements and 5 to 10 years for movable property. Expenditure for maintenance, repairs, and minor renewals are charged to expenses as incurred. Major expenditures for renewals and betterments are capitalized. Interest costs on debt used to finance the construction of capital assets are not capitalized.

SABINE PARISH SCHOOL BOARD
Many, Louisiana
Notes to the Basic Financial Statements
(Continued)

L. COMPENSATED ABSENCES

All 12-month employees earn 10 days of vacation leave each year. Upon separation, all unused vacation leave is forfeited.

All school board employees earn 10 days of sick leave each year. Sick leave for teachers and bus drivers may be accumulated without limitation, while all other employees are limited to 25 days accumulated sick leave. Upon retirement or death, unused sick leave of up to 25 days is paid to the employee (or heirs) at the employee's current rate of pay. Under the Louisiana Teacher's Retirement, the total unused accumulated sick leave, including the 25 days paid, is used in the retirement benefits computation as earned service.

Sabbatical leave may be granted for rest and recuperation and for professional and cultural improvement. Any employee with a teaching certificate is entitled, subject to approval by the school board, to one semester of sabbatical leave after three years of continuous service or two semesters of sabbatical leave after six years of continuous service. Sabbatical leave benefits, being restricted in nature as a condition of the leave, are not subject to accrual and are recorded as expenditures in the period paid.

N. RESTRICTED NET ASSETS

For government-wide statement of net assets, net assets are reported as restricted when constraints placed on net asset use are either, externally imposed by creditors (such as debt covenants, construction contracts, etc.), grantors, contributors, or laws or regulations of other governments and/or imposed by law through constitutional provisions or enabling legislation.

O. FUND EQUITY

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

P. EXTRAORDINARY AND SPECIAL ITEMS

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events within the control of the school board, which are either unusual in nature or infrequent in occurrence.

SABINE PARISH SCHOOL BOARD
Many, Louisiana
Notes to the Basic Financial Statements
(Continued)

Q. INTERFUND TRANSACTIONS

Quasi-external transactions are accounted for as revenues or expenditures. Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed. All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

R. SALES TAXES

The Sabine Parish Sales Tax Commission is authorized to collect, within Sabine Parish, the following sales and use taxes for the benefit of the Sabine Parish School Board:

A one percent parish-wide sales and use tax with the net proceeds, after deducting costs of collection, administration, and the portion dedicated to supplement salaries of school board employees and/or operations of the public schools within the parish.

A one-half of one percent sales and use tax within the territorial boundaries of the Many School District (Sales Tax District No. 1) with the net proceeds, after deducting costs of collection, administration, and proceeds dedicated to construction, improving, operating and maintaining the public school building and facilities of Sales Tax District No. 1. Additionally, the school board is authorized to fund the net proceeds of the tax in bonds to be issued for any capital purpose of Sales Tax District No. 1.

A one-half of one percent sales and use tax within the territorial boundaries of Sabine Parish, excluding the Many School District (Sales Tax District No. 2), with the net proceeds, after deducting costs of collection, administration, and proceeds dedicated to construction, improving, operating and maintaining the public school building and facilities of Sales Tax District No. 2. The proceeds of the tax are to be allocated for expenditures within the various schools, underlying the district, on a per pupil basis. Additionally, the school board is authorized to fund the net proceeds of the tax in bonds to be issued for any capital purpose of Sales Tax District No. 2.

SABINE PARISH SCHOOL BOARD
Many, Louisiana
Notes to the Basic Financial Statements
(Continued)

S. ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

2. CASH AND CASH EQUIVALENTS

At June 30, 2006, the school board has cash and cash equivalents (book balance) in interest-bearing demand deposits as follows:

Governmental Funds - Statement A	\$9,379,756
Fiduciary Funds - Statement G	<u>410,699</u>
Total Cash and Cash Equivalents	<u><u>\$9,790,465</u></u>

The collected bank balances (cash and cash equivalents), at June 30, 2006, are secured as follows:

Description	Category			Bank	Book
	1	2	3	Balance	Balance
Interest-bearing					
demand deposits	<u>\$200,000</u>	<u>NONE</u>	<u>\$9,979,849</u>	<u>\$10,179,849</u>	<u>\$9,790,465</u>
Totals	<u><u>\$200,000</u></u>	<u><u>NONE</u></u>	<u><u>\$9,979,849</u></u>	<u><u>\$10,179,849</u></u>	<u><u>\$9,790,465</u></u>

Category 1 includes cash and cash equivalents that are insured or registered or for which the securities are held by the school board or its agent in the school board's name. Category 2 includes uninsured and unregistered cash and cash equivalents for which securities are held by the bank's trust department, broker-dealers, or agent in the school board's name. Category 3 includes uninsured and unregistered cash and cash equivalents for which the securities are held by the bank's trust department, broker-dealer, or by its agent but not in the school board's name.

SABINE PARISH SCHOOL BOARD
Many, Louisiana
Notes to the Basic Financial Statements
(Continued)

Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the school board that the fiscal agent has failed to pay deposited funds upon demand.

3. INVESTMENTS

At June 30, 2006, the school board has the following investments:

Description	Category			Fair
	A	B	C	Value
Government securities	NONE	\$1,084,732	NONE	\$1,084,732

Category A includes investments that are insured or registered or for which the securities are held by the school board or its agent in the school board's name. Category B includes uninsured and unregistered investments for which securities are held by the broker's or dealer's trust department or agent in the school board's name. Category C includes uninsured and unregistered investments for which the securities are held by the broker or dealer, or by its trust department or agent but not in the school board's name.

4. RECEIVABLES

The receivables at June 30, 2006, are as follows:

Class of Receivable	Major Funds	NonMajor Funds	Total
Local sources:			
Taxes:			
Ad valorem	\$1,178	\$54,556	\$55,734
Sales and use	234,100	117,037	351,136
State sources - restricted grants-in-aid	264,112		264,112
Federal sources - restricted grants-in-aid:			
Direct		158,140	158,140
Pass-through	422,733	890,389	1,313,122
Other	14,120	353	14,474
Total Receivables	\$936,243	\$1,220,474	\$2,156,718

SABINE PARISH SCHOOL BOARD
Many, Louisiana
Notes to the Basic Financial Statements
(Continued)

5. CAPITAL ASSETS

Governmental capital assets and depreciation activity as of and for the year ended June 30, 2006, is as follows:

	Land	Construction In Progress	Buildings and Improvements	Furniture and Equipment	Total
Balance, June 30, 2005	\$321,743	NONE	\$38,599,971	\$2,093,740	41,015,454
Additions			177,920	85,698	263,618
Deductions				(9,500)	(9,500)
Balance, June 30, 2006	\$321,743	NONE	\$38,777,891	\$2,169,938	\$41,269,572
Less - accumulated depreciation	NONE	NONE	(14,215,237)	(1,417,090)	(15,633,327)
Capital assets, net	\$321,743	NONE	\$24,561,654	\$752,848	\$25,636,245

Allocation of Depreciation Expense

Instruction:					
Regular programs				\$7,012	\$7,012
Special programs				3,316	3,316
Support services:					
Instructional staff				8,545	8,545
General administration				6,867	6,867
Plant services				7,703	7,703
Student transportation				60,563	60,563
Central services				5,979	5,979
Food service				12,815	12,815
Building acquisition			\$1,120,160	18,912	1,139,072
Total	NONE	NONE	\$1,120,160	\$131,712	\$1,251,872

6. RETIREMENT SYSTEMS

Substantially all employees of the school board are members of two statewide retirement systems. In general, professional employees (such as teachers and principals) and lunchroom workers are members of the Louisiana Teachers Retirement System (TRS); other school employees such as custodial personnel and bus drivers, are members of the Louisiana School Employees Retirement System (LSERS). These systems are cost-sharing, multiple-employer defined benefit pension plans administered by separate boards of trustees. Pertinent information relative to each plan follows:

SABINE PARISH SCHOOL BOARD

Many, Louisiana

Notes to the Basic Financial Statements

(Continued)

Teacher's Retirement System of Louisiana (TRS) -- consists of three membership plans: Regular Plan, Plan A, and Plan B. The TRS provides retirement benefits as well as disability and survivor benefits. Ten years of service credit is required to become vested for retirement benefits and five years to become vested for disability and survivor benefits. Benefits are established by state statute. The TRS issues a publicly available financial report that includes the financial statements and required supplementary information for the TRS. This report may be obtained by writing the Teachers' Retirement System of Louisiana, Post Office Box 94123, Baton Rouge, Louisiana 70804-9123, or by calling (504) 925-6646. Employer contributions, \$2,229,205, for the year ended June 30, 2006, \$2,225,182, for the year ended June 30, 2005, and \$2,017,768, for the year ended June 30, 2004, have been submitted in accordance with State law and the requirements of the retirement system.

Louisiana School Employees' Retirement System (LSERS) -- provides retirement benefits as well as disability and survivor benefits. Ten years of service credit is required to become vested for retirement benefits and five years to become vested for disability and survivor benefits. Benefits are established by state statute. The LSERS issues a publicly available financial report that includes the financial statements and required supplementary information for the LSERS. This report may be obtained by writing the Louisiana School Employees' Retirement System, Post Office Box 44516, Baton Rouge, Louisiana 70804, or by calling (504) 925-6484. Employer contributions, \$235,086, for the year ended June 30, 2006, \$186,128, for the year ended June 30, 2005, and \$116,982, for the year ended June 30, 2004, have been submitted in accordance with State law and the requirements of the retirement system.

7. OTHER POSTEMPLOYMENT BENEFITS

The Sabine Parish School Board provides certain continuing health care and life insurance benefits for its retired employees. Substantially all of the school board's employees become eligible for these benefits if they reach normal retirement age while working for the school board. These benefits for retirees and similar benefits for active employees are provided through the State Group Benefits Program, whose monthly premiums are paid jointly by the employee and the school board. The school board recognizes the cost of providing these benefits (the board's portion of premiums) as an expenditure when the monthly premiums are due. For the year ended June 30, 2006, the cost of retiree benefits totaled \$1,929,341, for approximately 297 retirees.

8. ACCOUNTS, SALARIES, AND OTHER PAYABLES

The payables at June 30, 2006, are as follows:

Classification	Major Funds	NonMajor Funds	Total
Accounts and related benefits payable	\$8,851	\$15,821	\$24,672
Salaries and withholdings payable	3,112,823	452,758	3,565,580
	-----	-----	-----
Total	\$3,121,673	\$468,579	\$3,590,252
	-----	-----	-----

SABINE PARISH SCHOOL BOARD
Many, Louisiana
Notes to the Basic Financial Statements
(Continued)

9. LONG-TERM LIABILITIES

The following is a summary of the long-term liability transactions for the year ended June 30, 2006:

	Bonded Debt	Certificates of Indebtedness	Compensated Absences	Total
Long-term debt payable at July 1, 2005	\$20,345,000	\$1,755,000	\$528,317	\$22,628,317
Additions	9,475,000		112,267	9,587,267
Deductions	(11,494,000)	(120,000)	(57,319)	(11,671,319)
Long-term debt payable at June 30, 2006	\$18,326,000	\$1,635,000	\$583,265	\$20,544,265
Due within one year	\$1,422,000	\$80,000	\$57,319	\$1,559,319
Due in more than one year	16,904,000	1,555,000	525,946	18,984,946
Total	\$18,326,000	\$1,635,000	\$583,265	\$20,544,265

The individual issues, which are serial bonds, payable from their respective school district debt service funds and certificates of indebtedness, payable from the General Fund, are as follows:

Certificates of Indebtedness	Interest Rate	Maturity Date	Amount Issued	Amount Outstanding	
				Principal	Interest
South Sabine Consolidated	6.5-6.75%	7/1/2011	\$500,000	\$285,000	\$30,480
General	2.35-5.00%	7/1/2019	1,500,000	1,350,000	382,303
Total Certificates of Indebtedness			2,000,000	1,635,000	412,783
General Obligation Bonds					
Converse					
No. 8A	5.25-6.25%	3/1/2019	2,200,000	1,725,000	730,770
No. 8A	0.01-4.95%	3/1/2021	519,000	450,000	176,578
Ebarb					
No. 17	4.55%	2/1/2016	350,000	280,000	78,715
Many					
No. 34	4.8-5.8%	4/1/2010	4,750,000	830,000	118,565
No. 34	1.00-6.25%	3/1/2010	755,000	420,000	50,488
No. 34			3,240,000	3,240,000	1,288,828
Negreet					
No. 62A	4.50-4.75%	4/1/2008	4,500,000	455,000	36,850
Pleasant Hill					
No. 42	.01-4.95%	2/1/2020	712,000	617,000	228,627

SABINE PARISH SCHOOL BOARD
Many, Louisiana
Notes to the Basic Financial Statements
(Continued)

Certificates of Indebtedness	Interest Rate	Maturity Date	Amount Issued	Amount Outstanding	
				Principal	Interest
South Sabine					
No. 20	4.25-5.50%	4/1/2020	\$1,875,000	\$855,000	\$120,145
Zwolle					
No. 61	5.375-6.375%	3/1/2010	2,200,000	385,000	63,431
No. 61	5.10-6.00%	11/1/2012	1,385,000	905,000	168,965
No. 61	5.10-5.20%	3/1/2011	784,000	364,000	59,457
No. 61			1,520,000	1,520,000	612,531
No. 61			3,325,000	3,325,000	1,053,693
Sales Tax Districts					
Many No. 1	5.10-6.00%	2/1/2010	3,600,000	620,000	97,360
Many No. 1			1,390,000	1,390,000	311,045
Zwolle No. 2	5.10%	8/1/2020	1,100,000	945,000	409,658
Total General Obligation Bonds			34,205,000	18,326,000	5,605,704
Total Long-Term Debt			\$36,205,000	\$19,961,000	\$6,018,487

In accordance with R.S. 39:562, the school board is legally restricted from incurring long-term bonded debt in excess of 35% of the assessed value of taxable property. At June 30, 2006, the statutory limit is \$28,321,006 and outstanding bonded debt totals \$18,326,000.

Principal and interest requirements of the bonded debt are funded in accordance with Louisiana law by the annual ad valorem tax levy on taxable property within the parish. Principal and interest requirements of the certificates of indebtedness are funded through the General Fund. The bonds and certificates of indebtedness are due as follows:

Certificates of Indebtedness	Principal Payments	Interest Payments	Total
Year Ended June 30:			
2007	\$80,000	\$25,723	\$105,723
2008	135,000	62,073	197,073
2009	140,000	55,834	195,834
2010	145,000	49,251	194,251
2011	155,000	42,220	197,220
2012	165,000	36,758	201,758
2013	100,000	32,985	132,985
2014	105,000	29,160	134,160
2015	110,000	25,110	135,110
2016	115,000	20,740	135,740
2017	120,000	16,040	136,040
2018	130,000	11,140	141,140

SABINE PARISH SCHOOL BOARD
Many, Louisiana
Notes to the Basic Financial Statements
(Continued)

Certificates of Indebtedness	Principal Payments	Interest Payments	Total
Year Ended June 30:			
2019	\$135,000	\$5,750	\$140,750
Total	\$1,635,000	\$412,783	\$2,047,783
Bonded Indebtedness	Principal Payments	Interest Payments	Total
Year Ended June 30:			
2007	\$1,422,000	\$764,743	\$2,186,743
2008	1,533,000	758,579	2,291,579
2009	1,608,000	681,938	2,289,938
2010	1,692,000	611,410	2,303,410
2011	1,432,000	529,232	1,961,232
2012	1,408,000	473,025	1,881,025
2013	1,308,000	414,945	1,722,945
2014	1,378,000	362,769	1,740,769
2015	1,132,000	304,575	1,436,575
2016	1,192,000	251,640	1,443,640
2017	1,207,000	195,813	1,402,813
2018	1,277,000	138,905	1,415,905
2019	897,000	78,564	975,564
2020	729,000	36,235	765,235
2021	111,000	3,335	114,335
Total	\$18,326,000	\$5,605,704	\$23,931,704

Bonded Debt - Defeasance

During the year ended June 30, 2006, the school board advance refunded (defeased) a general obligation bond issue with a new general obligation bond issue. The school board issued \$11,494,000 of general obligation refunding bonds to provide resources to purchase U.S. government securities that were placed in an irrevocable trust for the purpose of generating resources for all future debt service requirements of the refunded debt. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the general long-term debt account group. This advance refunding was undertaken to reduce total debt service payments over the next 15 years and to obtain an economic gain (difference between the present value of the debt service payments of the refunded and refunding bonds) of \$414,688.

SABINE PARISH SCHOOL BOARD
Many, Louisiana
Notes to the Basic Financial Statements
(Continued)

In prior years, the school board defeased certain general obligation bonds by placing the proceeds of the new bonds in an irrevocable trust to provide for all future debt service payments on the defeased bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the school board's financial statements. On June 30, 2006, a total of \$12,130,000 of bonds outstanding are considered defeased.

10. INTERFUND RECEIVABLES/PAYABLES

Interfund receivables/payables, reported on the fund financial statements are as follows:

Fund	Interfund	
	Receivable	Payable
General Fund	\$1,108,512	
Hurricane Relief Program		\$417,766
Negreet No. 62 Debt Service Fund	4,103	
Sales Tax District No. 1 Debt Service Fund	32,000	
Other Governmental Funds	41,152	768,000
	-----	-----
Total	\$1,185,767	\$1,185,767
	=====	=====

11. RISK MANAGEMENT

The school board is exposed to various risks related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. With respect to the aforementioned risks, with the exception of property losses below the policy deductibles, and for injuries to employees (worker's compensation), the school board has obtained commercial insurance, and settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

With respect to injuries to employees (worker's compensation), the school board has initiated a risk management program for workers' compensation insurance. Operation of this program is accounted for within the General Fund and funds are available to pay claims, claim reserves, and administrative costs of the program. An excess coverage insurance policy covers claims in excess of \$200,000 with an aggregate limit of \$1,000,000. Interfund premiums are based primarily on the individual funds' payroll and are reported as expenditures in the individual funds.

REQUIRED SUPPLEMENTAL INFORMATION

PART II

SABINE PARISH SCHOOL BOARD
Many, Louisiana
GOVERNMENTAL FUND - GENERAL FUND

Budgetary Comparison Schedule
For the Year Ended June 30, 2006

	ORIGINAL	FINAL	ACTUAL (BUDGETARY BASIS)	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
BUDGETARY FUND BALANCES				
BEGINNING	\$3,870,871	\$4,230,818	\$4,239,178	\$8,360
Resources (inflows)				
Local sources	3,406,515	3,838,055	4,042,373	204,318
State sources	20,088,870	20,409,895	20,493,761	83,866
Federal sources	13,000	13,000	25,647	12,647
Other financing sources (uses)	2,579,000	2,508,500	2,679,154	170,654
Total revenues	26,087,385	26,769,450	27,240,935	471,485
Amounts available for appropriations	29,958,256	31,000,268	31,480,113	479,845
Charges to appropriations (outflows)				
Current:				
Instructional programs:				
Regular	9,930,925	10,346,557	9,974,251	372,305
Special	2,998,725	3,342,520	3,282,491	60,029
Adult and continuing education	31,047	1,155,975	1,125,670	30,305
Vocational education	1,157,215	62,694	58,390	4,304
Other	177,200	256,165	275,866	(19,701)
Support services:				
Pupil	783,300	756,321	697,821	58,499
Instructional staff	838,359	942,108	899,161	42,947
General administration	613,900	645,148	617,137	28,011
School administration	1,331,450	1,449,540	1,418,447	31,093
Business services	259,355	276,167	270,376	5,791
Plant services	1,539,940	1,680,813	1,580,555	100,257
Student transportation	2,492,157	2,536,997	2,441,570	95,427
Central services	267,000	309,094	284,749	24,345
Non-instructional programs:				
Food services		7,000	5,662	1,338
Community services	8,334	8,334	4,807	3,527
Facilities acquisition and construction	29,000	48,061	8,061	40,000
Debt service:				
Principal	69,000	68,000	68,000	
Interest and bank charges	50,570	48,570	47,518	1,052
Other financing uses	2,323,138	2,434,000	2,380,997	53,003
Total charges to appropriations	24,900,615	26,374,062	25,441,530	932,532
BUDGETARY FUND BALANCES				
ENDING	\$5,057,641	\$4,626,206	\$6,038,583	\$1,412,377

See auditor's report.

SABINE PARISH SCHOOL BOARD
 Many, Louisiana
 FIDUCIARY FUND - AGENCY FUNDS - SCHOOL ACTIVITY FUNDS

Schedule of Changes in Deposit Balances
 For the Year Ended June 30, 2006

School	Balance July 1, 2005	Additions	Deductions	Balance June 30, 2006
Converse	\$80,857	\$202,502	(\$204,036)	\$79,323
Ebarb	33,569	200,392	(173,339)	60,622
Florien Elementary	15,190	48,101	(48,757)	14,533
Florien High	30,374	206,114	(196,555)	39,933
Headstart	111	1,085	(1,036)	160
Many Elementary	21,280	54,001	(51,004)	24,276
Many Junior High	34,329	102,110	(106,733)	29,706
Many High	26,399	273,304	(271,007)	28,695
Negreet	25,855	172,306	(168,984)	29,177
Pleasant Hill	29,609	146,057	(141,889)	33,778
Zwolle Elementary	19,194	77,820	(75,823)	21,190
Zwolle High	32,475	238,123	(240,435)	30,163
Zwolle Intermediate	7,198	114	(7,312)	NONE
Total School Activity Funds	\$356,439	\$1,722,029	(\$1,686,910)	\$391,558

See auditor's report.

SABINE PARISH SCHOOL BOARD
Many, Louisiana

SUPPLEMENTAL INFORMATION SCHEDULES

As of and For the Year Ended June 30, 2006

COMPENSATION PAID BOARD MEMBERS

The schedule of compensation paid to the school board members is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. The compensation of the school board members is included in the general administrative expenditures of the General Fund. In accordance with Louisiana Revised Statute 17:56, the school board members have elected the monthly payment method of compensation. Under this method, the members of the school board receive \$600 per month. In addition, the president receives \$100 per month for exercising the duties of the office.

SABINE PARISH SCHOOL BOARD
Many, Louisiana
SUPPLEMENTAL INFORMATION SCHEDULE

Schedule of Compensation Paid Board Members
For the Year Ended June 30, 2006

Davis, Roderick	\$7,200
House, James W.	7,200
Jones, Imon	7,900
Martin, James Randal	7,200
Sanders, Jack H.	7,200
Sistrunk, Donnie	7,200
Stewart, Harold	7,700
Veuleman, James Randall	7,200
Woolley, Nadine	7,200
Total	----- \$66,000 =====

See auditor's report.

**OTHER REPORTS REQUIRED BY
GOVERNMENT AUDITING STANDARDS**

The following pages contain reports on internal control structure and compliance with laws and regulations required by Government Auditing Standards, issued by the Comptroller General of the United States. The reports are based solely on the audit of the general purpose financial statements.

HERBIE W. WAY
CERTIFIED PUBLIC ACCOUNTANT

55 Terra Avenue
Alexandria, LA 71303
318/442-7568
Fax: 318/442-9495

**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

SABINE PARISH SCHOOL BOARD
Many, Louisiana

I have audited the basic financial statements of the Sabine Parish School Board as of and for the year ended June 30, 2006, and have issued my report thereon dated December 11, 2006. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by errors or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

SABINE PARISH SCHOOL BOARD
Many, Louisiana
Compliance and Internal Control Report
(Continued)

Prior Year Audit Findings

The audit for the year ended June 30, 2005, disclosed no instances of noncompliance that were required to be reported under Government Auditing Standards or matters involving the internal control over financial reporting and its operation that were considered to be material weaknesses.

General

This report is intended for the information of the audit committee, management, the Louisiana Legislative Auditor, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Herbie W. Way

Herbie W. Way
Alexandria, Louisiana
December 11, 2006

OTHER REPORTS REQUIRED BY

OFFICE OF MANAGEMENT AND BUDGET (OMB) CIRCULAR A-133

The following pages contain reports on the schedule of federal financial assistance, consideration of internal control, and compliance with laws and regulations required by OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, the Single Audit Act, and the Louisiana Governmental Audit Guide, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor.

HERBIE W. WAY
CERTIFIED PUBLIC ACCOUNTANT

55 Terra Avenue
Alexandria, LA 71303
318/442-7568
Fax: 318/442-9495

**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE
TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

SABINE PARISH SCHOOL BOARD
Many, Louisiana

I have audited the compliance of Sabine Parish School Board with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of the major federal programs for the year ended June 30, 2006. Sabine Parish School Board's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the school board's management. My responsibility is to express an opinion on the school board's compliance based on my audit.

I conducted my audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Nonprofit Organizations. Those standards and OMB Circular A-133 require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the school board's compliance with those requirements and performing other procedures as I considered necessary in the circumstances. I believe that my audit provides a reasonable basis for my opinion. My audit does not provide a legal determination on the school board's compliance with those requirements.

In my opinion, the school board complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2006.

Internal Control over Compliance

The management of the school board is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing my audit, I considered the school board's internal control over compliance with requirements that could have a direct and material effect on a major program in order to determine my auditing procedures for the purpose of expressing my opinion on compliance with OMB Circular A-133.

SABINE PARISH SCHOOL BOARD
Many, Louisiana
A-133 Report
(Continued)

My consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over compliance and its operation that I consider to be material weaknesses.

This report is intended for the information of the audit committee, management, and federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.

Herbie W. Way

Herbie W. Way
Alexandria, Louisiana
December 11, 2006

SABINE PARISH SCHOOL BOARD
Many, Louisiana

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2006

SABINE PARISH SCHOOL BOARD
 Many, Louisiana
 Schedule of Expenditures of Federal Awards
 For the Year Ended June 30, 2006

GRANTOR AGENCY	CFDA NUMBER	PASS THROUGH GRANT NUMBER	ISSUES/ EXPENDITURES
<hr/>			
United States Department of Agriculture			
<hr/>			
Passed through Louisiana Department of Agriculture and Forestry - Food Distribution Program	10.550	NONE	\$101,802
Passed through Louisiana Department of Education: School Breakfast Program	10.553	NONE	345,045
National School Lunch Program	10.555	NONE	961,081
			<hr/>
Total United States Department of Agriculture			1,407,928
			<hr/>
United States Department of Labor			
<hr/>			
Passed through Louisiana Department of Education - Incentive Grants - WIA Section 503	17.267	28-06-TW-43	2,515
			<hr/>
United States Department of Education			
<hr/>			
Direct Programs:			
Indian Education - Grants to Local Education Agencies	84.060		149,187
Fund for the Improvement of Education	84.215		149,213
Passed through Louisiana Department of Education:			
Adult Education - State Grant Program	84.002	28-06-44-43	43,456
Title I Grants to Local Educational Agencies	84.010	28-06-T1-43	1,290,675
Special Education - State Grants	84.027	28-05-B1-43	809,194
Vocational Education - Basic Grants to States	84.048	28-05-02-43	69,596
Special Education - Preschool Grants	84.173	25-06-P1-43	30,727
Drug-Free Schools and Communities - State Grants	84.186	28-05-70-43	28,753
Even Start - State Educational Agencies	84.213	28-05/06-70-43	209,280
Twenty-First Century Learning Centers	84.287	28-04-CC-43	583,255
State Grants for Innovative Programs	84.298	28-04-80-43	13,745
Education Technology State Grants	84.318	28-04-S4/46-43	116,067
Gaining Early Awareness and Readiness for Undergraduate Program	84.334	05/06MANY/H,05/06ZWOLH	24,645
School Renovation	84.352	28-03-SG-43	52,727
Rural Education	84.358	28-05-RE-3	144,136
English Language Acquisition Grants	84.365	28-05-60-43,TA365A050018	18,764
Mathematics and Science Partnerships	84.366	28-06-MP-43	99,815
Improving Teacher Quality State Grants	84.367	28-05-50-43	345,960
Hurricane Education Recovery	84.938	28-06-IP-43	502,293
			<hr/>
Total United States Department of Education			4,681,486
			<hr/>

See auditor's report.

SABINE PARISH SCHOOL BOARD
 Many, Louisiana
 Schedule of Expenditures of Federal Awards
 For the Year Ended June 30, 2006

GRANTOR AGENCY	CFDA NUMBER	PASS THROUGH GRANT NUMBER	ISSUES/ EXPENDITURES
United States Department of Health and Human Services			
Direct program - Headstart	93.600		\$863,760
Passed through the Louisiana Department of Education:			
Temporary Assistance for Needy Families	93.558	25-05/06-35-ST/EP-43	92,268
State Children's Insurance Program	93.767		47,224
Preventive Health and Health Services Block Grant	93.991	NONE	25,647
Total United States Department of Health and Human Services			1,028,900
Corporation for National and Community Service			
Passed through the Louisiana Department of Education			
Learn and Serve America - School and Community Based Programs	94.004	PAWS, STEPS	9,167
Department of Homeland Security			
Passed through Louisiana Department of Homeland Security and Emergency Preparedness - Disaster Grants - Public Assistance	97.036	085-U8C2B-00	55,446
Total Expenditures of Federal Awards			\$7,185,442

Notes to the Schedule of Federal Awards

1. Food Distribution Program (CFDA No. 10.550) is a non-cash federal financial assistance program.
2. Federal expenditures are recognized under the modified-accrual basis of accounting.

(Concluded)

See auditor's report.

HERBIE W. WAY

CERTIFIED PUBLIC ACCOUNTANT

55 Terra Avenue
Alexandria, LA 71303
318/442-7568
Fax: 318/442-9495

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

SABINE PARISH SCHOOL BOARD
Many, Louisiana

Section 1 - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued.	Unqualified
Internal control over financial reporting:	
Material weakness identified?	No
Reportable condition identified not considered a material weakness?	No
Noncompliance material to the financial statements noted?	No

Federal Awards

Internal Control over major programs:	
Material weakness identified?	No
Reportable condition identified not considered to be a material weakness?	No
Type of auditor's report issued on compliance for major programs.	Unqualified
Any audit findings disclosed that are required to be reported in accordance with Circular A-133 Section 510(a)?	No
Special Education - Grants to States (CFDA No. 84.027), Hurricane Recovery Education (CFDA No. 84.938), and Headstart (CFDA No. 93.600) were considered as major programs.	
Dollar threshold used to distinguish between Type A and Type B Programs.	\$300,000
Auditee qualified as low risk auditee?	Yes

SABINE PARISH SCHOOL BOARD
Many, Louisiana
Schedule of Findings and Questioned Costs
(Continued)

Section II - Financial Statement Findings

The results of my tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Section III - Federal Award Findings and Questioned Costs

The audit disclosed no findings or questioned costs relating to expenditure of Federal Awards.

Herbie W. Way

Herbie W. Way
Alexandria, Louisiana
December 11, 2006

SABINE PARISH SCHOOL BOARD

Independent Accountant's Report On Applying Agreed-Upon Procedures

For the Year Ended June 30, 2006

HERBIE W. WAY
CERTIFIED PUBLIC ACCOUNTANT

55 Terra Avenue
Alexandria, LA 71303
318/442-7568
Fax: 318/442-9495

INDEPENDENT ACCOUNTANT'S REPORT

SABINE PARISH SCHOOL BOARD
Many, Louisiana

I have performed the procedures included in the Louisiana Governmental Audit Guide and enumerated below, which were agreed to by the management of Sabine Parish School Board and the Legislative Auditor, State of Louisiana, solely to assist users in evaluating management's assertions about the performance and statistical data accompanying the annual financial statements of Sabine Parish School Board and to determine whether the specified schedules are free of obvious errors and omissions. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants and applicable standards of Government Auditing Standards. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, I make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose. My procedures and findings relate to the accompanying schedules of supplemental information and are as follows:

General Fund Instructional and Support Expenditures and Certain Local Revenue Sources (Schedule I)

I selected a random sample of 25 transactions and reviewed supporting documentation to determine if the sampled expenditures/revenues are classified correctly and are reported in the proper amounts for each of the following amounts reported on the schedule:

Total General Fund Instructional Expenditures,
Total General Fund Equipment Expenditures,
Total Local Taxation Revenue,
Total Local Earnings on Investment in Real Property,
Total State Revenue in Lieu of Taxes,
Nonpublic Textbook Revenue, and
Nonpublic Transportation Revenue.

Findings - None.

SABINE PARISH SCHOOL BOARD
Many, Louisiana
Independent Accountant's Report
(Continued)

Education Levels of Public School Staff (Schedule II)

I reconciled the total number of full-time classroom teachers per the schedule "Experience of Public Principals and Full-time Classroom Teachers" (Schedule 4) to the combined total number of full-time classroom teachers per this schedule and to school board supporting payroll records as of October 1st.

I reconciled the combined total of principals and assistant principals per the schedule "Experience of Public Principals and Full-time Classroom Teachers" (Schedule 4) to the combined total of principals and assistant principals per this schedule.

I obtained a list of full-time teachers, principals, and assistant principals by classification as of October 1st and as reported on the schedule. I traced a random sample of 25 teachers to the individual's personnel file and determine if the individual's education level was properly classified on the schedule.

Findings - None.

Number and Type of Public Schools (Schedule III)

I obtained a list of schools by type as reported on the schedule. I compared the list to the schools and grade levels as reported on the Title 1 Grants to Local Educational Agencies (CFDA 84.010) application.

Findings - None.

Experience of Public Principals and Full-time Classroom Teachers (Schedule IV)

I obtained a list of full-time teachers, principals, and assistant principals by classification as of October 1 and as reported on the schedule and traced the same sample used in procedure 4 to the individual's personnel file and determined if the individual's experience was properly classified on the schedule.

Findings - None.

Public Staff Data (Schedule V)

I obtained a list of all classroom teachers including their base salary, extra compensation, and ROTC or rehired retiree status as well as full-time equivalent as reported on the schedule and traced a random sample of 25 teachers to the individual's personnel file and determined if the individual's salary, extra compensation, and full-time equivalents were properly included on the schedule. I recalculated the average salaries and full-time equivalents reported in the schedule.

Findings - None.

SABINE PARISH SCHOOL BOARD
Many, Louisiana
Independent Accountant's Report
(Continued)

Class Size Characteristics (Schedule VI)

I obtained a list of classes by school, school type, and class size as reported on the schedule and reconciled school type classifications to Schedule 3 data, as obtained in procedure 5. I then traced a random sample of 10 classes to the October 1st roll books for those classes and determined if the class was properly classified on the schedule.

Findings - None.

Louisiana Educational Assessment Program (LEAP) for the 21st Century (Schedule VII)

I obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported in the schedule by Sabine Parish School Board.

Findings - None.

The Graduation Exit Exam for the 21st Century (Schedule VIII)

I obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported in the schedule by Sabine Parish School Board.

Findings - None.

The Iowa/iLEAP Tests (Schedule IX)

I obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported in the schedule by Sabine Parish School Board.

Findings - None.

General

I was not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, I do not express such an opinion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

SABINE PARISH SCHOOL BOARD
Many, Louisiana
Independent Accountant's Report
(Continued)

This report is intended solely for the use of management of Sabine Parish School Board, the Louisiana Department of Education, the Louisiana Legislature, and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Herbie W. Way
Herbie W. Way
Alexandria, Louisiana
December 11, 2006

SABINE PARISH SCHOOL BOARD
MANY, LOUISIANA

SCHEDULES OF PERFORMANCE MEASURES
FOR THE YEAR ENDED JUNE 30, 2006

SABINE PARISH SCHOOL BOARD
Many, Louisiana

General Fund Instructional and Support Expenditures
and Certain Local Revenue Sources
For the Year Ended June 30, 2006

General Fund Instructional and Equipment Expenditures

General Fund Instructional Expenditures:

Teacher and Student Interaction Activities:

Classroom Teacher Salaries	\$9,318,882
Other Instructional Staff Activities	856,538
Employee Benefits	4,026,124
Purchased Professional and Technical Services	11,544
Instructional Materials and Supplies	386,479
Instructional Equipment	47,426

Total Teacher and Student Interaction Activities \$14,646,993

Other Instructional Activities 38,959

Pupil Support Activities \$697,821
Less: Equipment for Pupil Support Services NONE

Net Pupil Support Activities 697,821

Instructional Staff Services \$899,161
Less: Equipment for Instructional Staff Services NONE

Net Instructional Staff Services 899,161

Total General Fund Instructional Expenditures \$16,282,934

Total General Fund Equipment Expenditures NONE

(Continued)

See accountant's report.

(UNAUDITED)

SABINE PARISH SCHOOL BOARD
Many, Louisiana

General Fund Instructional and Support Expenditures
and Certain Local Revenue Sources
For the Year Ended June 30, 2006

Certain Local Revenue Sources

Local Taxation Revenue:

Constitutional Ad Valorem Taxes	\$382,080
Renewable Ad Valorem Taxes	1,291,011
Up to 1% of Collections by the Sheriff on Taxes	
Other than School Taxes	82,163
Sales and Use Taxes	3,873,910

Total Local Taxation Revenue	\$5,629,164
------------------------------	-------------

Local Earnings on Investment in Real Property:

Earnings from 16th Section Land
Earnings from Other Real Property

Total Local Earnings on Investment in Real Property	NONE
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State Revenue in Lieu of Taxes:

Revenue Sharing - Constitutional Tax	\$34,351
Revenue Sharing - Other Taxes	118,043

Total State Revenue in Lieu of Taxes	\$152,394
--------------------------------------	-----------

Nonpublic Textbook Revenue

NONE

Nonpublic Transportation Revenue

NONE

(Concluded)

See accountant's report

(UNAUDITED)

SABINE PARISH SCHOOL BOARD
Many, Louisiana

Education Levels of Public School Staff
As of October 1, 2005

Category	Full-time Classroom Teachers			Principals & Assistant Principals		
	Certificated Number	Percent	Uncertificated Number	Percent	Certificated Number	Uncertificated Number
Less than a Bachelor's Degree	N/A	N/A			N/A	
Bachelor's Degree	236	0.79			1	0.07
Master's Degree	40	0.13			9	0.60
Master's Degree + 30	20	0.07			5	0.33
Specialist in Education	2	0.01			N/A	N/A
Ph. D. or Ed. D.	N/A	N/A			N/A	N/A
Total	298	100.00%	N/A	N/A	15	100.00%
						N/A
						N/A

See accountant's report.

(UNAUDITED)

Schedule III

SABINE PARISH SCHOOL BOARD
Many, Louisiana

Number and Type of Public Schools
For the Year Ended June 30, 2006

Type	Number
Elementary	3
Middle/Jr. High	1
Secondary	3
Combination	5
Total	12

Note: Schools opened or closed during the fiscal year are included in this schedule.

See accountant's report.

(UNAUDITED)

SABINE PARISH SCHOOL BOARD
Many, Louisiana

Experience of Public Principals and
Full-time Classroom Teachers
As of October 1, 2005

Type	0-1 YEAR	2-3 YEARS	4-10 YEARS	11-14 YEARS	15-19 YEARS	20-24 YEARS	25+ YEARS	Total
Assistant Principals		1				1	1	3
Principals					4	3	5	12
Classroom Teachers	33	23	90	45	33	20	54	298
Total	33	24	90	45	37	24	60	313

See accountant's report.

(UNAUDITED)

SABINE PARISH SCHOOL BOARD
Many, Louisiana

Public School Staff Data
For the Year Ended June 30, 2006

	All Classroom Teachers	Classroom Teachers Excluding ROTC and Rehired Retiree
Average Classroom Teachers' Salary Including Extra Compensation	\$33,132	\$32,883
Average Classroom Teachers' Salary Excluding Extra Compensation	\$32,766	\$32,510
Number of Teacher Full-time Equivalents (FTEs) used in Computation of Average Salaries	303.93	289.54

Note: Figures reported include all sources of funding (i.e., federal, state, and local) but excludes employee benefits. Generally, retired teachers rehired to teach receive less compensation than non-retired teachers and ROTC teachers receive more compensation because of a federal supplement. Therefore, these teachers are excluded from the computation in the last column. This schedule excludes day-to-day substitutes and temporary employees.

See accountant's report.

(UNAUDITED)

SABINE PARISH SCHOOL BOARD
Many, Louisiana

Class Size Characteristics
As of October 1, 2005

School Type	Class Size Range							
	1 - 20		21 - 26		27 - 33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	73.93%	241	25.46%	83	0.61%	2	0.00%	0
Elementary Activity Classes	42.11%	16	36.84%	14	13.16%	5	7.89%	3
Middle/Jr. High	56.64%	81	41.26%	59	2.10%	3	0.00%	0
Middle/Jr. High Activity Classes	20.00%	4	50.00%	10	15.00%	3	15.00%	3
High	82.95%	321	14.99%	58	1.29%	5	0.78%	3
High Activity Classes	50.99%	77	47.02%	71	1.32%	2	0.66%	1
Combination	88.45%	651	9.65%	71	1.90%	14	0.00%	0
Combination Activity Classes	63.41%	52	13.41%	11	17.07%	14	6.10%	5

Note: The Board of Elementary and Secondary Education has set specific limits on the maximum size of classes at various grade levels. The maximum enrollment in grades K-3 is 26 students and the maximum enrollment in grades 4-12 is 33 students. These limits do not apply to activity classes such as physical education, chorus, band, and other classes without maximum enrollments standards. Therefore, these classes are included only as separate line items.

See accountant's report.

(UNAUDITED)

SABINE PARISH SCHOOL BOARD
Many, Louisiana

Louisiana Educational Assessment Program
(LEAP) for the 21st Century
For the Year Ended June 30, 2006

District Achievement Level Results		English Language Arts				Mathematics			
		2006		2005		2006		2005	
Students:		Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 4									
Advanced		11	3.45%	4	1.32%	8	2.61%	9	2.94%
Mastery		43	13.48%	52	17.22%	38	12.42%	31	10.13%
Basic		144	45.14%	102	33.77%	128	41.83%	131	42.81%
Approaching Basic		51	15.99%	89	29.47%	77	25.16%	68	22.22%
Unsatisfactory		70	21.94%	55	18.21%	55	17.97%	67	21.90%
Total		319	100.00%	302	100.00%	306	100.00%	306	100.00%

District Achievement Level Results		Science				Social Studies			
		2006		2005		2006		2005	
Students:		Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 8:									
Advanced		4	9.97%	1	0.29%	2	0.65%	0	0.00%
Mastery		32	35.83%	52	15.34%	47	15.26%	24	7.79%
Basic		115	35.83%	134	39.53%	118	38.31%	161	52.27%
Approaching Basic		118	36.76%	94	27.73%	95	30.84%	86	27.92%
Unsatisfactory		52	16.20%	58	17.11%	46	14.94%	37	12.01%
Total		321	134.58%	339	100.00%	308	100.00%	308	100.00%

See accountant's report.

(UNAUDITED)

SABINE PARISH SCHOOL BOARD
Many, Louisiana

Graduation Exit Exam (GEE)
For the Year Ended June 30, 2006

District Achievement Level Results	English Language Arts						Mathematics					
	2006			2005			2006			2005		
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Students:												
Grade 10:												
Advanced	3	1.20%	1	0.37%	4	1.43%	29	10.21%	20	7.38%	17	6.07%
Mastery	34	13.65%	44	16.18%	38	13.57%	48	16.90%	46	16.97%	39	13.93%
Basic	147	59.04%	122	44.85%	114	40.71%	119	41.90%	115	42.44%	134	47.86%
Approaching Basic	48	19.28%	71	26.10%	76	27.14%	45	15.85%	40	14.76%	42	15.00%
Unsatisfactory	17	6.83%	34	12.50%	48	17.14%	43	15.14%	50	18.45%	48	17.14%
Total	249	100.00%	272	100.00%	280	100.00%	284	100.00%	271	100.00%	280	100.00%

District Achievement Level Results	Science						Social Studies					
	2006			2005			2006			2005		
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Students:												
Grade 11:												
Advanced	7	2.80%	4	1.66%	7	2.68%	0	0.00%	0	0.00%	1	0.38%
Mastery	23	9.20%	32	13.28%	32	12.26%	14	5.58%	12	4.98%	16	6.13%
Basic	92	36.80%	101	41.91%	103	39.46%	132	52.59%	125	51.87%	123	47.13%
Approaching Basic	88	35.20%	66	27.39%	81	31.03%	59	23.51%	65	26.97%	78	29.89%
Unsatisfactory	40	16.00%	38	15.77%	38	14.56%	46	18.33%	39	16.18%	43	16.48%
Total	250	100.00%	241	100.00%	261	100.00%	251	100.00%	241	100.00%	261	100.00%

See accountant's report.

(UNAUDITED)

SABINE PARISH SCHOOL BOARD
Many, Louisiana

The IOWA Tests
For the Year Ended June 30, 2006

	Composite	
	2005	2004
Test of Basic Skills (ITBS):		
Grade 3	59	53
Grade 5	54	53
Grade 6	47	42
Grade 7	47	47
Tests of Educational Development (ITED):		
Grade 9	54	47

Scores are reported by National Percentile Rank. A student's National Percentile Rank. A student's National Percentile Rank shows the student's relative position or rank as compared to a large, representative sample of students in the same grade from the entire nation. A student with a score of 72 indicates that the student scored the same or better than 72 percent of the students in the norm group.

(Continued)

See accountant's report.

(UNAUDITED)

SABINE PARISH SCHOOL BOARD
 Many, Louisiana
 For the Year Ended June 30, 2006

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2006		2006		2006		2006	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 3								
Advanced	4	1.38%	6	2.08%	1	0.35%	2	0.69%
Mastery	36	12.46%	35	12.11%	18	6.23%	18	6.23%
Basic	146	50.52%	126	43.60%	146	50.52%	150	51.90%
Approaching Basic	58	20.07%	81	28.03%	100	34.60%	70	24.22%
Unsatisfactory	45	15.57%	41	14.19%	24	8.30%	49	16.96%
Total	289	100.00%	289	100.00%	289	100.00%	289	100.00%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2006		2006		2006		2006	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 5								
Advanced	4	1.46%	4	1.46%	3	1.09%	1	0.36%
Mastery	35	12.77%	27	9.85%	35	12.77%	19	6.93%
Basic	104	37.96%	130	47.45%	111	40.51%	141	51.45%
Approaching Basic	77	28.10%	61	22.26%	93	33.94%	64	23.36%
Unsatisfactory	54	19.71%	52	18.98%	32	11.68%	49	17.88%
Total	274	100.00%	274	100.00%	274	100.00%	274	100.00%

(Continued)

See accountant's report.

(UNAUDITED)

SABINE PARISH SCHOOL BOARD
 Many, Louisiana
 For the Year Ended June 30, 2006

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2006		2006		2006		2006	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 6								
Advanced	11	3.75%	5	1.71%	3	1.02%	13	4.44%
Mastery	53	18.09%	26	8.87%	42	14.33%	25	8.53%
Basic	123	41.98%	157	53.58%	138	47.10%	136	46.42%
Approaching Basic	75	25.60%	61	20.82%	81	27.65%	76	25.94%
Unsatisfactory	31	10.58%	44	15.02%	29	9.90%	43	14.68%
Total	293	100.00%	293	100.00%	293	100.00%	293	100.00%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2006		2006		2006		2006	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 7								
Advanced	10	3.25%	8	2.60%	2	0.65%	3	0.97%
Mastery	48	15.58%	21	6.82%	43	13.96%	30	9.74%
Basic	147	47.73%	138	44.81%	119	38.64%	156	50.65%
Approaching Basic	80	25.97%	79	25.65%	109	35.39%	79	25.65%
Unsatisfactory	23	7.47%	62	20.13%	35	11.36%	40	12.99%
Total	308	100.00%	308	100.00%	308	100.00%	308	100.00%

(Concluded)

See accountant's report.

(UNAUDITED)